



To the Mayor and Members of the City Council

May 19, 2015

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**SUBJECT: 15 Year Budget History – IT Solutions Department**

In an effort to provide a framework for current and future budget requests, staff will be providing 15 years of historical data by department over the next several months. Data will include Fiscal Year 2000 through Fiscal Year 2015.

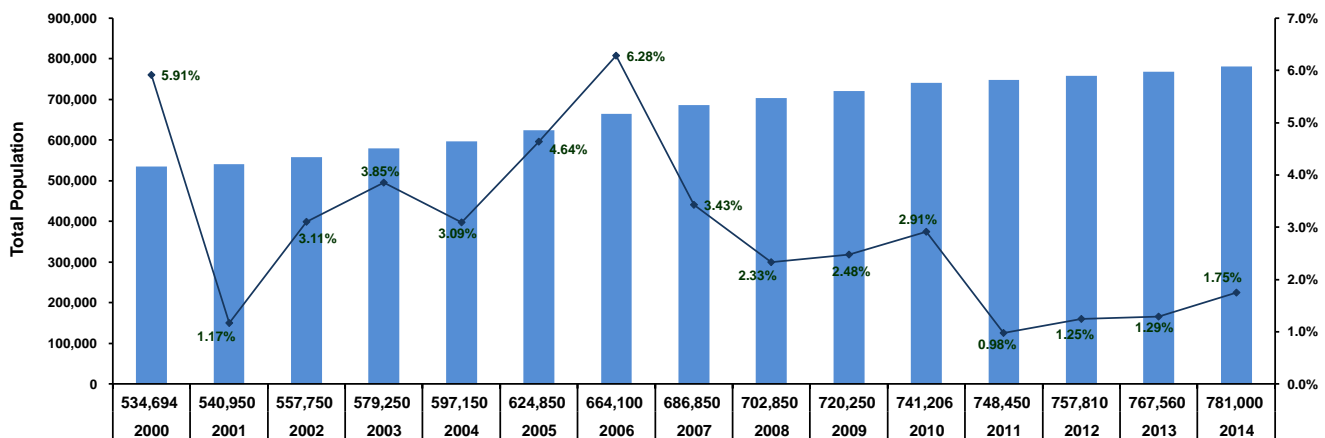
In graph format, the data will include the following components:

1. Population
2. Staffing Levels with Population
3. Square Miles of the City of Fort Worth
4. Adopted Budget with Square Mileage

Population

From 2000 to 2015, the population in Fort Worth has grown by 246,306 new citizens, or about 46 percent. This trend is expected to continue as Fort Worth continues to be singled out as one of the fastest growing cities both in Texas and in America.

**Fort Worth Population Growth**



Source: North Central Texas Council of Government (NCTCOG)

■ Population    ◆ % Change

Square Miles

By comparison, the square mileage in the City has grown from 308 to 353 square miles, or 15 percent. The 25-mile increase from 2002 to 2003 included the annexation of 7,744 acres, known as 287 Zone LPA (M&C PZ-2438).

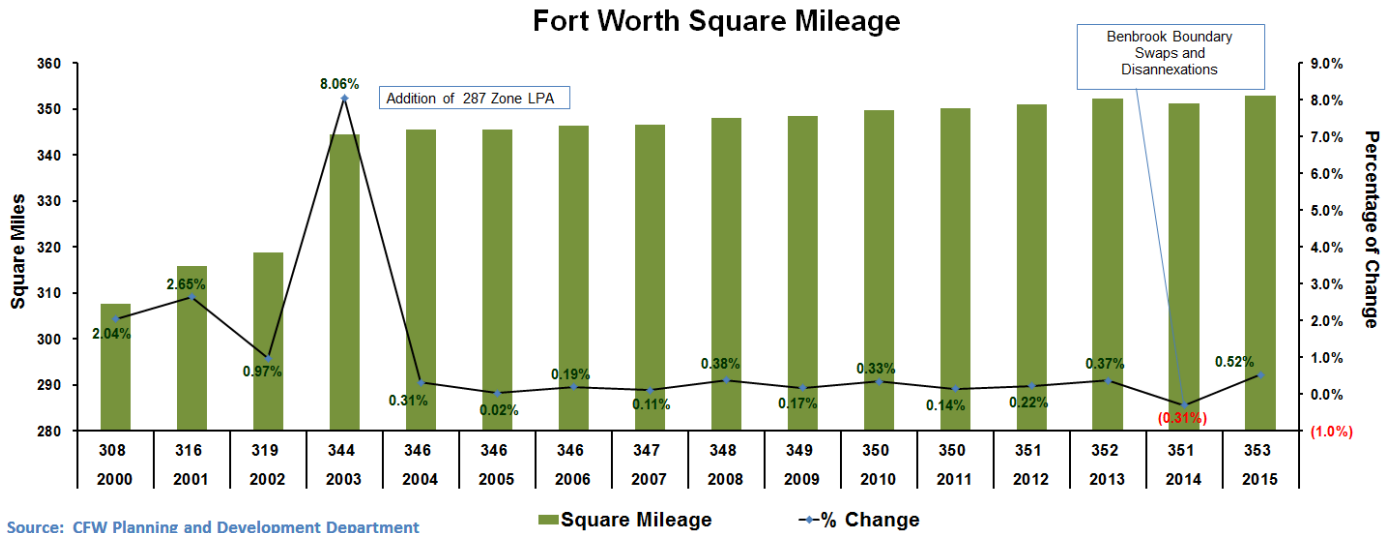


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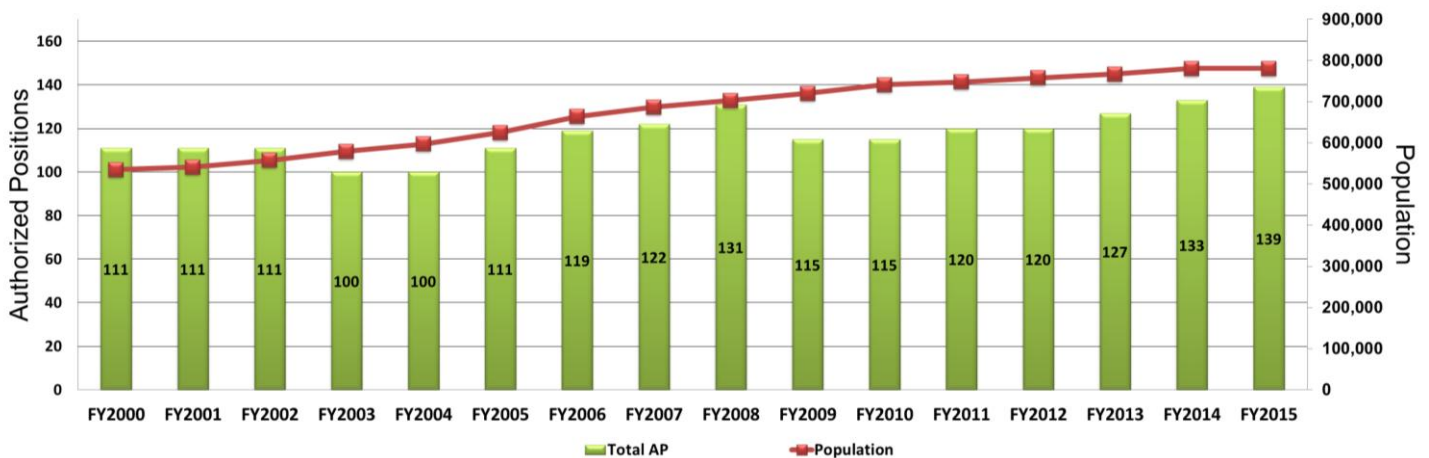
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Impact of Growth in Population and Square Mileage Relative to Budget

The IT Solutions Department (Information Systems Fund) adopted budget has increased 143 percent, growing from \$10,908,308 in FY2000 to \$26,532,002 in FY2015. Authorized positions have increased 25 percent over same period, from 111 positions in FY2000 to 139 positions in FY2015.

**IT Solutions Department Authorized Positions  
(All funds)**



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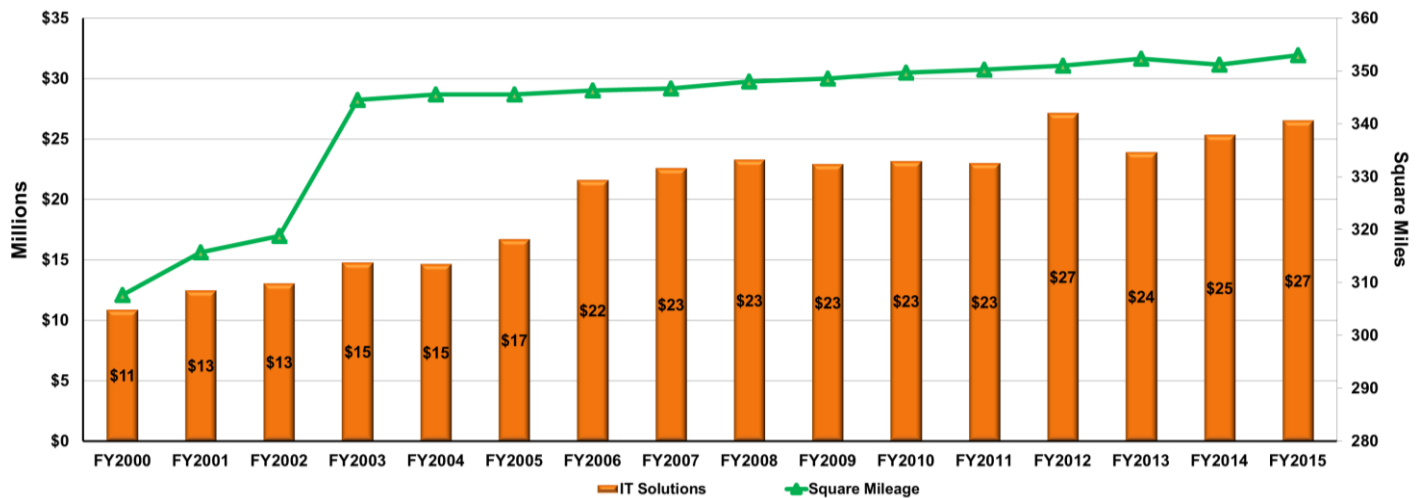
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The following chart shows the changes in the annual adopted budget for the IT Solutions Department relative to the geographical size of the City.

**IT Solutions Department Adopted Budget**



The 143 percent adopted budget increase from FY2000 to FY2015 includes the following authorized position and budgetary changes:

- FY2001: The adopted budget increased by a net of \$1,596,335. The budget included the following significant changes: \$69,151 for the salary and related expenses of adding a Senior Technical Support Analyst for application development; \$880,509 due to salary increases and costs associated with a bonus plan implemented by the department to help recruit and retain employees with high-tech skills; \$417,886 for phone costs, based on usage throughout the City; and \$428,186 for software, server leases and equipment to support the City's fiber optic network. The adopted budget also included a decrease of (\$45,329) for an Information Systems Coordinator position that was moved to the City Manager's Office.
- FY2002: The adopted budget increased by a net of \$578,256. Significant changes included the following: \$351,044 for contract labor on technology development projects; \$327,205 for equipment leased by the IT Solutions Department and software support regarding the Citywide technology infrastructure; and \$190,445 for salary increases. The adopted budget also had a notable decrease of (\$267,202) for a five percent salary cap as part of the citywide compensation plan.
- FY2003: The adopted budget increased by a net of \$1,726,997. Significant changes included the following: \$934,527 for IT security and geographic information system services; \$265,545 for budgeted depreciation costs; \$130,000 for a centralized voice radio logging system to

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record radio traffic for one or more talk groups; and \$87,000 as part of a plan to increase physical security and access control at the Levee, Holly, Bolt Street, Rolling Hills, and North Beach Street telecommunications remote sites. There was a significant decrease of (\$492,527) for salaries based on the elimination of eleven authorized positions as part of the department's reorganization efforts to streamline activities.

- FY2004: The adopted budget decreased by a net of (\$126,210). Significant decreases included the following: (\$305,948) due primarily to the expiration of some lease purchase agreements during the fiscal year; and (\$297,563) for savings from software license agreement maintenance. The adopted budget increased by \$245,453 due to a reduction of budgeted salary savings based on trending. The adopted budget increased by \$218,000 to pay for security and telephone systems design consulting.
- FY2005: The adopted budget increased by a net of \$2,029,575. Significant increases included the following: \$977,033 for the FY2005 adopted compensation plan and the addition of ten employees; \$739,555 for costs associated with the project to convert all City phone lines to the 392 exchange; \$500,000 for E-GOV implementation, which provided the infrastructure for electronic bill pay and an ADA compliant website; and \$235,000 for scheduled temporary employees to perform disaster recovery activities.
- FY2006: The adopted budget increased by a net of \$4,915,673. Significant increases included: \$919,288 for employees salaries due to implementation of the FY2006 compensation plan and the addition of eight positions; \$1,230,365 for computer replacements under a new computer replacement strategy; \$440,635 for claims/lawsuit transfers based on historical claims; \$700,000 for costs associated with the 392 conversion project; \$249,093 for mainframe lease/maintenance costs; and \$262,075 for software maintenance and warranties.
- FY2007: The adopted budget increased by a net of \$970,557. Significant increases included: \$474,947 to implement the FY2007 compensation plan; \$1,000,000 for the initial phase of acquiring and implementing an Enterprise Resource Planning (ERP) tool; and \$355,972 to further upgrade the Computer Aided Dispatch (CAD) system for the Public Safety Departments.
- FY2008: The adopted budget increased by a net of \$680,408. Significant increases included \$726,784 for employee salaries based on step increases coupled with the addition of nine positions and \$473,898 for contributions to employee retirement. However, there was a decrease of (\$1,000,000) for the one-time (FY2007) transfer to the ERP project.
- FY2009: The adopted budget decreased by a net of (\$367,383). Significant decreases included the following: (\$1,896,243) due to the downsizing of the Strategic Business Resources Division by nine authorized positions, the downsizing of the IT Finance/Contract staff by three authorized positions and the elimination of four support positions and contractual radio services. There was also an increase of \$1,826,647 due to a one-time transfer to the IT Equipment Fund to address the fund's negative net position.

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- FY2010: The adopted budget increased by a net of \$267,425. Significant increases included: \$862,365 for increased software and maintenance costs; \$440,000 for contractual backfill costs for ERP Phase I and II; \$323,045 for contributions to retiree healthcare costs; \$247,500 for an information security audit; \$188,000 for a contract to outsource a project manager; and \$172,600 for the addition of phone circuits. The adopted budget decreases included: (\$2,273,475) for the elimination of the one-time FY2009 transfer to the IT Equipment Fund to shore up the fund's net position; (\$422,000) in reduced equipment note payments; and (\$272,378) for the implementation of eight mandatory furlough days citywide.
- FY2011: The adopted budget decreased by a net of (\$180,408). Significant decreases included (\$323,045) for reduced contributions to retiree healthcare and (\$248,043) for claims based on historical claims costs. The adopted budget increases included \$384,349 for the ERP Phase I support team, which included five authorized positions and \$225,768 for the elimination of eight mandatory furlough days in FY2010.
- FY2012: The adopted budget increased by a net of \$4,164,196. Significant increases included: \$1,650,000 to fund the PeopleSoft software upgrade from version 9.0 to 9.1; \$1,300,000 for PeopleSoft maintenance updates for ERP Phase I modules; \$814,496 for indirect costs allocated to the Internal Service Fund; \$630,768 for software maintenance and licenses used by the City of Fort Worth for the ITS network; \$322,227 to fund PeopleSoft financial, procurement and Oracle Hyperion Budget Planning Software; and \$270,280 for costs associated with the final implementation of the FY2012 compensation plan, which included an across the board salary increase of 3% to all general employees.
- FY2013: The adopted budget decreased by a net of (\$3,247,086). Significant decreases included: (\$3,445,301) for the elimination of one-time funding for ERP Phase1 (ERP1) expenses associated with software maintenance and upgrades and (\$361,413) for software licensing/maintenance due to the elimination of Tritech CAD maintenance. Notable increases include the addition of 7.0 authorized positions to support the Enterprise Resource Planning (ERP) Phase II Implementation Project (ERP2), which were funded by the ERP II project.
- FY2014: The adopted budget increased by a net of \$1,411,128. Significant increases included: \$725,533 for the addition of six authorized positions to provide computer support services; \$356,563 for the retiree health insurance allocated to the department; \$227,400 for leased telephone lines based on growth in the number of City facilities; and \$150,523 for data line equipment.
- FY2015: The adopted budget increased by a net of \$1,204,221. Significant increases included the addition of six authorized positions for the transfer of the Enterprise Resource Planning (ERP) Support Group to IT Solutions. The transfer had no budgetary impact, since the funding was provided by the ERP project. Further increases included: \$569,661 for software and mainframe licensing and maintenance contracts; \$190,357 for costs associated with contributions to employee retirement; and \$180,667 for the General Fund administrative service

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charges for the indirect cost allocation charged to the department. The adopted budget also decreased by (\$281,104) based on the increased use of contract labor.

Budget changes indicate that there is a positive correlation between City growth in size and population density and the impact on information technology resources. Over the last fifteen years, the City has seen an average annual population growth rate of 2.9% and a corresponding annual increase in the land area at an average annual rate of 1.0%. Likewise, the City's IT Department has grown at an average annual rate of 1.6% in authorized positions. The department investments in technology created significant budgetary increases at an average annual rate of 6.1% in budgeted funds.

As the City integrates and leverages more technology, there will be increased costs associated with acquiring and maintaining such systems but should ultimately lead to increased efficiencies. Therefore, the FY2016 budget request continues the upward cost trend to address technology improvements and the increasing facility and infrastructure needs. The IT Solutions Department will try to control these costs by changing the cost control strategies, such as moving fixed costs to variable costs and using cloud-based software instead of paying for blanket licenses for users that are not be needed.

If you have any questions, please call IT Solutions Director Kevin Gunn at 817-392-2015 or Aaron Bovos, Financial Management Services Director, at 817-392-8517.

**David Cooke**  
**City Manager**